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CONTRIBUTORY INFRINGEMENT OF  
PATENT RIGHTS.

UNDER the statute of the United States which enacts that the patentee for a new and useful invention shall have the exclusive right to make, use, and vend his invention or discovery (Rev. Stat. U. S., sec. 4884), cases without number have been disposed of by the Federal courts. Sitting in equity, the courts in terms enjoin the infringer of patent rights from "directly or indirectly" making, using, selling, etc., the subject-matter exclusively controlled by virtue of the patent grant; and, generally speaking, no argument need be wasted in support of the proposition that no man may do indirectly that which he may not do directly. But under conditions growing out of one well-established rule of patent law there have appeared several instances where, at first glance, it seemed that persons charged with individual infringement of patent rights might escape the legal consequences of their acts.

The patent grant rests upon, and is the expression of, a contract between the inventor of new and useful improvements in the arts, on the one hand, and the public, on the other; whereby, in consideration of the disclosure to the established agent of the public—the Commissioner of Patents—of a full and accurate description of the newly invented improvement, a monopoly of manufacture, sale, and use of the invention is granted to the inventor for a term of years, with a remainder, as it were, in fee to the public.<sup>1</sup> For this reason it becomes indispensable to the public to have a distinct recital in the grant, of the nature and limitations of the subject-matter which is thus secured to the patentee. Therefore, the statutes require the applicant for patent to set forth as part of his patent grant the exact metes and bounds of the substance he claims to be his invention and for which he is entitled to the monopoly.<sup>2</sup> This statement is the patent claim. Usually the claim is for a new combination of correlated parts, as

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<sup>1</sup> *Grant v. Raymond*, 6 Pet. 218.

<sup>2</sup> Revised Statutes of the U. S., sec. 4888.

of a machine; and the patentee can control only embodiments of the claim, with a fair and proper reservation of equivalents for accomplishing the result at which his invention is aimed.

When, therefore, a patentee sues for infringement of his rights, one of the main questions for solution is whether the defendant has accomplished substantially the same result as that contemplated by the patentee, in and by substantially the same means as are specified by the patent claim. If the defendant has accomplished the useful result by using all of the component elements of the claim, he is an infringer; but if, on the other hand, he has managed without one or more of those components or their substantial equivalents, he escapes the charge; for the claim is read as an integer.<sup>1</sup>

Broadly speaking, the manufacture, sale, or use of an element of the combination, or of any number of elements in combination short of the complete whole recited in the claim, is innocent.

This rule was invoked for the defendant in the leading case of *Wallace v. Holmes*,<sup>2</sup> where the facts stood thus:—

The complainant patentee had a patent for an improved burner in combination with a peculiar chimney, in a lamp; the defendants manufactured and sold the burner, leaving the purchasers to supply the chimney, without which the burner was useless. The lamps in the hands of purchasers from the defendants became complete infringements of the patent claim.

“And now it is urged that, having made and sold burners only, they are not infringers, even though they have distributed them throughout the country in competition with the complainants, and have, to their utmost ability, occupied the market, *with the certain knowledge that such burners are to be used, as they only can be used, by the addition of a chimney.*”<sup>3</sup>

The italics in the foregoing quotation from Judge Woodruff's opinion are intended to emphasize that portion of the facts which is, it is submitted, the key to the situation. The defendants in

<sup>1</sup> A combination claim does not cover the elements separately. *Evans v. Eaton*, Pet. C. C. 322. The whole combination is a unit. *Watson v. Cunningham*, 4 Fisher, 528; *Rowell v. Lindsay*, 10 Biss. 217; *Schumacher v. Cornell*, 6 Otto, 594; *Gill v. Wells*, 22 Wallace, 1.

A claim is not infringed by use of less than the entire combination. *Burdett v. Estey*, 16 Blatch. 105; *Sharp v. Tift*, 18 Blatch. 132; *Fuller v. Yentzer*, 94 U. S. 288; *Reedy v. Scott*, 23 Wall. 352.

<sup>2</sup> 9 Blatch. 65.

<sup>3</sup> *Wallace v. Holmes*, 9 Blatch. 74.

Wallace *v.* Holmes were enjoined, notwithstanding that the thing which they manufactured and sold did not in itself embody the invention secured to the complainants. The act was found to be wrongful because of the obvious intent of the defendants to make the burner for use only with another thing which the user was to supply. If this were the only case on the subject of contributory infringement it might perhaps be argued that the *incompleteness* of the burner as made by the defendant offered the key to the rule to be applied; but this can only be regarded as one of several grounds for inferring *intent*, which made the act of manufacture and sale wrongful. The infringement of patent rights is a tort; here there is an instance where the intent of a factor makes an act which in itself is innocent, a tort.

The writer is aware that a vexed question which has been thoroughly discussed in these columns<sup>1</sup> is suggested by the statement of the result of Wallace *v.* Holmes; but it is not the present purpose to attempt a reopening of the question. Wallace *v.* Holmes has been followed and the application of its principle extended in patent cases, so that, whether the case and its successors are regarded as the extension of a sound doctrine or the contrary, it must be conceded that the principle of the case is established in the patent law at least, and that contributory infringement will be treated in the Federal courts with the same remedies as are applicable to cases of direct infringement.

In Wallace *v.* Holmes the specific state of facts might, if the case stood alone, give ground for asserting that the rule there applied went only so far as to hold that the defendant, who was proved to have made a thing useless by itself, might be presumed to be a party to the operative completion of the infringing combination, and that only where such a presumption proved inevitable should there be a suspension of, or rather an exception to, the rule which permits a patentee to control or suppress only full embodiments of his claim. On this theory, however, difficulty would arise for want of parties. The question of joint infringement is distinct from that of contributory infringement, and if the collusive circumstances of joint infringement were regarded as the key to the situation, then in the absence of actual conspiracy between several persons, who by successive individual acts complete the embodiment of infringement, no recovery or relief could

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<sup>1</sup> Lumley *v.* Gye, HARVARD LAW REVIEW, ii. 19.

be had as against the individual who made a part of the infringing combination, even if his wrong intent were confessed. The court in *Wallace v. Holmes* alluded to this phase of the situation and disposed of the question of conspiracy by holding that there existed no necessity whatever for joining as defendants the persons who received the burners from the defendant and made them effective by adding the chimney.

The rule in *Wallace v. Holmes* soon met with the approval of the First Circuit, Judge Shepley saying in *Saxe v. Hammond*:<sup>1</sup>—

“There can be no doubt as to the soundness of the conclusions of the court in that case, or the cogency of the reasons given by the learned judge in his opinion.”

Presently there arose a case<sup>2</sup> in which the facts were clearly distinguishable from those in *Wallace v. Holmes* in their specific character, although in the broader view they have something in common. The complainant sued on his patent for a method of supplying towns with water. The condition of things is set forth in the opinion of the court (Wheeler, J.): —

“It has been urged in argument, that the defendants only make and sell the Flanders pump, and that they do not infringe the plaintiff’s patents, although their purchasers may have infringed by putting them into systems of water works. If all they did was to make and sell these pumps merely, probably they would not infringe by that alone. But the answers and proofs go beyond this. Flanders, in his testimony as to what works they have put up, does not limit what they did to making and selling the pumps merely. The effect of the whole clearly is that they participated and concurred in putting in the whole, by furnishing the pumps for that purpose; and this is sufficient to make them infringers.”

While *Holly v. Vergennes Co.* is cited usually among the cases of contributory infringement, analysis of the facts set forth in the above statement seems to show that the defendant did more than furnish pumps with knowledge and intent that they should form part of a water-supply system which infringed complainant’s patent. The defendant “*participated* and concurred in putting in the whole.” If the patent in suit, though called a patent for a “method,” was really a patent for an apparatus, then the defend-

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<sup>1</sup> 1 *Holmes*, 456, 458.

<sup>2</sup> *Holly v. Vergennes Machine Co.*, 9 Blatch. 327.

ant's act amounted to a manufacture of the apparatus, and was therefore an ordinary infringement. If the patent was strictly for a method or process, and not in terms for an apparatus, participation in the instalment of the apparatus necessary to the performance of the method or process would certainly be a contributory infringement of the patent, if indeed it would not be treated as a case of direct infringement. It is submitted that the proper treatment of such a case would be under the rule of contributory infringement, for the methods or processes which form the subject of patent claims are dissociated from any apparatus of which the function is performed in carrying out the process; one of the best established rules of patent law being that the mere functions of a machine or apparatus cannot properly be claimed as a process.<sup>1</sup>

The full meaning of the rule of contributory infringement is stated in *Travers v. Beyer*,<sup>2</sup> wherein the opinion of the court is inconsistent with a specific limitation of the rule such as might be read into *Wallace v. Holmes* or *Holly v. Vergennes Co.* The court states the case as follows: —

“They [the defendants] are making and putting upon the market an article, which, of necessity, to their knowledge, is to be used for the purpose of infringing the complainant's patent. They therefore concert with those to whom they sell the blocks to invade the complainant's rights. They are intentional promoters of the ultimate act of infringement.”

The question has been asked, and probably has been urged by the defendant in every case of contributory infringement, whether a perilous precedent was not being established which might lead in conceivable instances to an unjust embarrassment of a manufacturer or seller of articles innocent in themselves, which, nevertheless, had become actual instruments of wrong in the hands of others. There is always, nominally at least, a clear remedy for the patentee by suit against the immediate infringers whose acts are punishable by injunction, whether or not any actual intent to infringe existed. In many cases, however, such a remedy is wholly inadequate. A manufacturer who distributes thousands of infringing machines is the only defendant against whom the patentee can obtain real relief; for as against the purchaser and user a suit in equity could not reimburse the patentee for the unavoidable expenses of his suit; the courts recognize the existence of this state

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<sup>1</sup> *Locomotive Works v. Medart*, 158 U. S. 68.

<sup>2</sup> 26 Fed. Rep. 450.

of things, and in cases of contributory infringement assist the patentee, so far as possible and proper, in his attempt to stop the trespass at its origin rather than compel him to take a course which practically opposes an impossibility to his effort toward establishing or enforcing his right.

"Parties should not be permitted to evade the law by such proceedings as these papers disclose; it is the clear duty of the court to arrest the wrong in its inception."<sup>1</sup>

The case from which this quotation is taken presents a peculiarly suggestive state of facts. The patent sued on was for a composition of matter, composed of pulverized calcined gypsum, glue, and water, for use as a calcimine. The defendant sold a compound composed of pulverized calcined gypsum and glue, *directing the purchaser* to add the necessary water. The court held that the defendant, in selling a compound which he knew could not be used without involving an infringement of the patent, was himself an infringer, although in terms the compound which he sold did not fall within the patent claim, and cited in support of the rule a number of cases, among them *Wallace v. Holmes*, *Travers v. Beyer*, and *Cotton Tie Co. v. Simmons*.<sup>2</sup> The last-mentioned case is one of a group<sup>3</sup> of strenuously contested cases which present an interesting condition of facts. The complainant made a patented cotton tie buckle and band, and in order to keep its market alive with a continuing demand for new goods, sold the ties and buckles with an express condition that they were to be used once only, the ease with which old buckles and bands could be remade and used repeatedly being obvious. The case which brings the doctrine of contributory infringement into boldest relief is the *McCready* case, where the defendant, a shipowner and carrier, was in the habit of conveying quantities of dismantled cotton ties and buckles to Southern planters whose notorious intentions were to use the patented articles after the first and only licensed use was past. Doubtless recognizing the futility of seeking its remedy against the users themselves, who were widely scattered and in most cases obscure and unknown, the patentee brought its bill against the carrier, praying that the shipment of these instruments of trespass be en-

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<sup>1</sup> *Alabastine Co. v. Payne*, 27 Fed. Rep. 559.

<sup>2</sup> 106 U. S. 89, 94, 95.

<sup>3</sup> *Cotton Tie Co. v. Simmons*, 3 Ban. & Ard. 320; *Same v. Same*, 108 U. S. 89; *Same v. Bullard*, 4 Ban. & Ard. 520; *Same v. McCready*, 4 Ban. & Ard. 588.

joined. The defendant urged that the injunction prayed for would work serious hardship in depriving him of the benefits of his lawful business, and that the mere carriage of the goods in question constituted no invasion of the patentee's privileges, being neither manufacture, sale, nor use. Judge Blatchford disposed of these contentions, saying in effect that the defendant would be deprived by injunction of no business which he would not lose if all the immediate infringers, the users or intended users, of the ties and buckles, were disciplined by the injunctions which would issue against them, were they known and duly prosecuted. The fact that it was wholly impossible to use the old ties and buckles except as instruments of infringement seems to have been a determining factor, the court perhaps assuming judicially that the shipment of broken cotton ties as old junk involved a commercially impossible transaction.

However unusual the circumstances of the McCready case may seem, it is believed that the rule there applied affords a test for governing all cases of contributory infringement: a test to be used as a supplement to the test of *intent*, if indeed it is not coterminous therewith. Will the injunction asked for deprive the defendant of any business which he would enjoy in case all the persons who wrongfully use the things sold were enjoined against continuance of the immediate infringement? If the only possible use of the articles made and sold involves an infringement of patent right, then the wrongful intent of the vendor follows as a matter of course; but if, on the other hand, there exist rightful uses of the things sold, the specific intent in special instances must be traced and proved so that the issue of injunction may be guarded by proper conditions and terms. The rule is the same in either case, requiring an application in varying measure to suit conditions.

Cases which illustrate the working of the rule are not wanting. In *Millner v. Schofield*,<sup>1</sup> the owner of a patent for a tobacco-curing apparatus, which involved in its structure sundry elbows and flues of sheet iron for the conveyance and distribution of hot air, brought his bill in equity against a manufacturer of sheet-iron ware, seeking to have him enjoined against making and selling flues and elbows, alleging that these articles were used by others in installing and completing tobacco-drying apparatus which infringed the patent. No proof of actual concert with the imme-

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<sup>1</sup> 4 Hughes, 258.



diate infringers was satisfactorily established, and the court held that as there were miscellaneous innocent uses for such things as sheet-metal flues and elbows, and as no specific instances were proved which brought any charge of wrongful intent to the defendant's door, no injunction could issue which would not in its operation embarrass the defendant in the pursuit of his lawful business. *Wallace v. Holmes*, *supra*, was cited with approval, and clearly distinguished.

If the proofs in *Alabastine Co. v. Payne*, *supra*, had established merely the facts that the defendant sold calcined gypsum and likewise glue, these things being recognized articles of general commerce, in all probability no injunction would have issued. But the defendant had made the case clear, first by making a mixture of calcined gypsum and glue (an unusual compound, probably), and second by selling it with directions for use with a proper amount of water. The injunction could, under the rule applied, quite properly suppress acts of such well-defined purpose.

In a later case Judge Coxe, who decided the *Alabastine* case, made the proper distinction clear. The defendant sold metallic button fasteners to all persons who desired to purchase, and to some extent to jobbers and distributors of such articles. These fasteners were adapted for use in button-fastening machines which had previously been declared to be infringements of the complainant's patent. Many of them, however, still remained at large in the hands of users who had bought them from the infringing manufacturer. The use of these machines, by whomsoever held, was conceded to be an infringement of the patent. But the manufacturer of these machines had also at a prior date made and sold a number of button-setting machines which did not embody infringements of the patent in suit, and these machines also were capable of using the troublesome button fasteners, which in themselves were innocent articles of manufacture, resembling nothing so much as very diminutive hairpins. Here there was a case where the defendant, selling without questioning his customer, argued well that so far as he was concerned the ultimate use of the fasteners might or might not be innocent, and that he was not under the disagreeable duty of making inquiry. But, as the complainant had proved that the defendant, who was one of the former manufacturers of the infringing machines, jealously kept possession of all the books wherein the names and addresses of the users of those machines were listed, and as it was

proved also that the bulk of defendant's fasteners must be consumed by those machines, or not be used at all, and that the defendant sold goods to these users through the mails, the court ordered an injunction to issue forbidding the defendant to sell to these users, directly or indirectly, conferring on the complainant the unhappy duty of furnishing a list of the users.<sup>1</sup>

This disposition of the case accords precisely with the ruling of the court in *Willis v. McCullen*,<sup>2</sup> where the defendant had license from the complainant patentee to use a patented process, and to sell materials for that process to persons who, like him, had license to use it. The defendant sold these materials, which were not patented, to unlicensed persons for use in the patented process, "knowing that the materials were purchased for this use, and intended that they should be so applied." The court found that "by these sales thus made, the respondent became a party to their use;" and in consequence held that "a decree must be entered against him *as respects such sales for use in the process to unlicensed persons.*"

The italicized portion of the above quotation indicates clearly the qualification which was to save the decree from the objection that it might interfere with the defendant in the prosecution of his lawful business.

In *Schneider v. Pountney*<sup>3</sup> the defendant was sued for infringement of a patent for a lamp-shade having a shade-holder of transparent material, and other specific mechanical features, the whole enabling an oil-lamp to be used without the ordinary chimney.

The charge against the defendant was:

... "that he has manufactured and sold the transparent glass shade-holder which is one of the constituents of the complainant's combination, and the only one that is claimed to be novel and that characterizes Votti's invention. As there is nothing in the reissue which claims this shade-holder, except in combination with the other elements, it is clear that the making and selling of it, standing alone, is not an infringement of any of the claims. See *Saxe v. Hammond*, 1 Ban. & Ard. 632."

The complainant proved satisfactorily that there were "no other uses to which the shade-holder, made by the defendant and complained of by the complainant, can be applied, except in combination with the other devices of the Votti patent."

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<sup>1</sup> *Heaton Button Fastener Co. v. MacDonald et al.*, C. C. U. S. No. Dist. of N. Y. (not reported).

<sup>2</sup> 29 Fed. Rep. 641.

<sup>3</sup> 21 Fed. Rep. 399.

"This testimony stands uncontradicted, except by the suggestion of defendant's counsel of possible uses to which such shade-holders might be applied."

Wallace *v.* Holmes was followed, and was quoted at some length with unqualified approval.

Many cases under the rule of contributory infringement have been decided by the Federal courts, and are in harmony with those herein discussed. In one case the facts raised the discussion of the rule in all its shades of application; but, after all the questions arising from a quite complex situation had been sifted and disposed of, the case called for the unqualified application of the rule. This was Heaton Peninsular Button Fastener Company *v.* Eureka Specialty Company,<sup>1</sup> contested on bill and demurrer. Later cases are Thomson-Houston Electric Co. *v.* H. W. Johns Co.;<sup>2</sup> Thomson-Houston Electric Co. *v.* Ohio Brass Co.<sup>3</sup>

The formulation of a rule is not a task which the writer undertakes with confidence; it is submitted, however, that the rule to be deduced from the cases under discussion is not too broadly stated thus:—

Any act done with intent to contribute to an infringement of patent-rights is wrongful, tantamount to a direct infringement, and will be enjoined by a court of equity, although in itself, and considered apart from its intended purpose, such an act might be lawful.

In its enforcement, this rule will be guarded by such terms of application as will prevent it from embarrassing the person enjoined in the performance of the acts in question when properly dissociated from any wrongful intent.

*Odin B. Roberts.*

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<sup>1</sup> 47 U. S. App. 146.

<sup>2</sup> 78 Fed. Rep. 364.

<sup>3</sup> 80 Fed. Rep. 712.